

**Date:** January 8, 2013

**To:** Thomas J. Bonfield, City Manager

**Through:** W. Bowman Ferguson, Deputy City Manager

**From:** Joel V. Reitzer, Jr., Director, General Services Department  
Jina B. Propst, Interim Assistant Director, General Services Department  
Donna G. Maskill, PE, Construction Project Manager

**Subject:** Radio Equipment Building Construction Contract with Morlando Construction, LLC

### **Executive Summary**

On December 4, 2012, seven bids were opened for the Radio Equipment Building. The lowest, responsive, responsible bid was submitted by Morlando Construction, LLC. The base scope of work, bid at \$636,000.00, includes the construction of a new masonry building with an area of 2,560 SF, including a 40' x 40' equipment bay, 400 SF workroom, and unisex restroom. The base project also includes extension of water and sewer service to the new building and a sidewalk and landscaping along Camden Avenue.

General Services Department recommends accepting bid alternate #1, to provide an ice-protection canopy over the vehicle parking and front entryway for \$43,000.00, and bid alternate #2, to provide a complete emergency generator system for \$65,000.00, for a total contract of \$744,000.00.

### **Recommendation**

The General Services Department recommends that the City Council:

1. Authorize the City Manager to execute a construction contract for the Radio Equipment Building with Morlando Construction, LLC in the amount of \$744,000.00, which includes the base bid and recommended alternates.
2. Establish a project contingency in the amount of \$74,400.00 and authorize the City Manager to negotiate and execute change orders on the Radio Equipment Building construction contract, provided the total project cost does not exceed the amount budgeted for construction phase plus the project contingency.

### **Background**

The Fleet Management and Communications Maintenance department provides 24 / 7 support to the emergency communications system (which includes 3500 radios, 4 tower sites, the 911 center and backup center). The City must maintain the radio system to a high level of reliability and readiness due to its vital role in public safety. The new Radio Equipment Building will house the new total digital radio system equipment which the City of Durham will migrate to in FY 2013-14.

The Radio Equipment Building project consists of the design and construction of a new, secure, single-story building, which meets specialty Electrical Standards for Radio Operations. The building will have HVAC with 100% redundancy and a back-up generator with sufficient capacity for all communications equipment and building systems.

In FY2008-2009, the City Council approved a Capital Improvements Program (CIP) project in the amount of \$350,000.00 for the design and construction of a new Radio Equipment Building to replace the existing two modular buildings at 1807 Camden Avenue. Initial estimates did not take into account the extension of the water and sewer service that also necessitated sidewalk and landscaping along Camden Avenue, nor the unique electrical requirements and fire suppression systems. A separate CIP project, the Microwave Radio Network Upgrade project, realized substantial savings due to changes in the bidding climate and the existence of a statewide contract. A transfer of \$500,000.00 in excess funding from the Microwave Radio Network Upgrade project to the Radio Equipment Building project was approved by City Council on September 7, 2010 through Ordinance #14051. This funding was insufficient to accept the base bid plus the 2 recommended alternates, therefore, additional funding sources have been identified to enable the Radio Equipment Building project to be fully completed.

On July 28, 2011, the City Manager approved a professional services agreement with IBI Group of North Carolina, PC (IBI Group) for the design of a new Radio Equipment Building. IBI Group completed the final construction bid documents, and the project was advertised for formal bidding in September 2012. Six bids were received on October 25, 2012, however the lowest bids were deemed nonresponsive, due to failure to meet the SDBE goals and to show acceptable good faith efforts for SDBE goals. All bids were rejected and the project was rebid.

### **Issues/Analysis**

The new radio system equipment will require unique building requirements. Additionally, the new equipment will require a much larger emergency generator. These factors, along with the deteriorated state of the current modular buildings, have contributed to the need to proceed with the new Radio Equipment Building. If approved, construction will commence in March 2013 and the project is expected to be completed by September 2013.

The bid results are as follows:

<u>Company</u>	<u>Base Bid</u>	<u>Base + Alternates</u>
Morlando Construction	\$ 636,000	\$ 744,000
Lee Street Construction	\$ 625,843	\$ 761,548
CT Wilson Construction	\$ 654,718	\$ 770,403
Riggs Harrod Builders	\$ 657,900	\$ 772,267
Spectra Builders	\$ 662,300	\$ 782,300
HM Kern Corporation	\$ 696,000	\$ 804,200
WL Bishop Construction	\$ 720,985	\$ 829,191

## Alternatives

An alternative is to not proceed with the new Radio Equipment Building. Staff recommends against this alternative as existing financial sources have been identified to fully fund this project. Not proceeding with this project would also negatively impact operational and planning goals for Durham Public Protection total digital system upgrade scheduled for 2013-2014 and would diminish services to residents in this area.

## Financial Impacts

### Project Funding Sources

Residual Funds from Closed Projects	3307C000-CL002	\$42,237
Residual Funds from Closed Projects	3304C047-CC011	\$113,181
Certificates of Participation	3505K908-CC310	\$500,000
2009 LOBS	3505K950-CC310	\$350,000
<b>Total Project Funding</b>		<b>\$1,005,418</b>

### Funding Uses Summary

<b>Prior:</b>		
Professional Services-Design		\$147,305
Design Contingency		\$15,000
Other Owner's Expenses		\$5,548
Total		<b>\$167,853</b>
<b>Current:</b>		
Construction Contract		\$744,000
Construction Contingency		\$74,400
Fees		\$6,000
Furniture and Equipment		\$13,165
Total		<b>\$837,565</b>
<b>Funding Uses Total</b>		<b>\$1,005,418</b>

## **SDBE Summary**

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Morlando Construction, LLC. of Greensboro, North Carolina to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. The goals for this project are MSDBE 20% and WSDBE 5%. It was determined that Morlando Construction, LLC was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

## **SDBE REQUIREMENTS**

Morlando Construction, LLC will subcontract to the following certified firm:

<b>Firm</b>	<b>ID</b>	<b>City/State</b>	<b>Amount</b>	<b>% of Contract</b>
Skyrock Construction, LLC	MSDBE	Raleigh, NC	\$136,000	20%
D & T Utilities, Inc.	WSDBE	Liberty, NC	\$35,000	5%

**The MSDBE and WSDBE goals were both met.**

## **WORKFORCE STATISTICS**

The workforce statistics for Morlando Construction, LLC are as follows:

Total Workforce	48	
Total Females	7	15%
Total Males	41	85%
Black Males	3	6%
White Males	28	58%
Other Males	10	21%
Black Females	0	0%
White Females	7	15%
Other Females	0	0%

**Attachment:** Rendering of Radio Equipment Building